6 – Fee Proposal

- *Provide a detailed fee schedule. Firms may propose one or more of the following: Flat monthly retainer; Hourly rates by staff classification; Lump sum project-based fees; Bond issuance-related fees. Any reimbursable expenses. Clearly identify all costs and assumptions.*

With regard to our proposed compensation, Davenport is flexible as to the approach and structure of payment. Our approach to Financial Advisory Services is such that we want to encourage you to pick up the phone and call us on a regular basis without hesitation. To that end, we would not envision sending you a bill should you have a question that takes relatively limited research and analysis on our part. To the extent that this takes us a few hours, we would not envision billing the City for this type of work. However, if it becomes a more viable project and requires more time, we would then discuss and agree on potential compensation for Davenport. At the end of the day, we want the City to look at Davenport as an extension of its staff.

Davenport is willing to accommodate the City's preferences on how best to structure our compensation. Davenport can be compensated through a pre-determined fee; a not-to-exceed amount; an hourly rate; and/or a per-bond fee in the case of financings. One or some combination of these options is many times the most viable and attractive approach for many of our clients.

The following schedule of hourly rates will serve as a basis for our compensation for positions necessary to conduct non-transnational financial advisory services for the City:

Senior Vice President	$350
First Vice President	$325
Vice President	$300
Associate Vice President	$275
Analyst	$250

Below are Davenport's proposed transaction fees, which may be paid from the bond proceeds:

1. For direct bank loan notes, bonds, or any other types of debt instruments, the compensation would be in the range of **$30,000 – $60,000** per transaction (subject to adjustment based on CPI); and,
2. For public market issuance of notes, bonds, or any other types of debt instruments, the compensation would be in the range of **$60,000 - $90,000** per transaction (subject to adjustment based on CPI).

Additionally, customary direct out-of-pocket expenses, including mileage at the prevailing federal rate, meals, transportation, and lodging, will be reimbursed at cost.

Davenport can also assist with value-added services such as banking services, investment management, and economic development evaluations, among others, as requested by the City. For these additional services, Davenport would propose the same hourly rates listed above, with scope and compensation confirmed at the time of engagement to ensure fair pricing for both parties.